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Conference Report Highlights

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Highlights of the Conference Report to S. 1150 — Agricultural Research, Extension, and Education Reform Act of 1998

On April 22 the Senate and House conferees completed a delicately crafted conference report on S. 1150 [H. Rept. 105-492]. The bill provides funding for agricultural research and resolves a funding crisis for the federal crop insurance program. It also includes funds to restore food stamp benefits to about 250,000 legal immigrants. The House has not acted on the conference report. The Senate unanimously passed S. 1150 on October 29, 1997.

FUNDING

The conference agreement allocates about \$1.8 billion over five years, including \$600 million for a new competitive research program, about \$500 million to partially fund crop insurance delivery expenses (plus internal reforms were made to save an additional amount of about \$500 million), \$100 million for the Fund for Rural America, and \$619 million to partially fund food stamp benefits for legal non-citizens (plus internal reforms were made to save an additional \$199 million to provide additional funding).

S. 1150 fully offsets all costs. Changes are made to the food stamp program to prevent states from receiving a windfall double payment from the food stamp administration accounts. The Congressional Budget Office calculates these savings to be \$1.73 billion over five years. Additional savings of \$82 million over five years are obtained by limiting CCC funding available to USDA agencies for the purchase of computers and related equipment and services.

AGRICULTURAL RESEARCH

The bill provides \$600 million over the next five years in mandatory funding to the Initiative for Future Agriculture and Food Systems. This will provide \$120 million per year on a competitive grant basis for agricultural genome research; food safety, food technology and human nutrition; new and alternative uses of agricultural commodities and products; agricultural biotechnology; natural resource management, including precision agriculture; and farm efficiency and profitability. In addition, the discretionary agricultural research programs are reauthorized and reforms are included to ensure more collaboration and efficiency, and greater accountability.

CROP INSURANCE

The bill provides about \$200 million annually over five years (\$1 billion in all) in mandatory spending to continue fully funding the federal crop insurance program. Under current law, these funds would need to be appropriated from discretionary accounts. However, the Appropriations Committee has made it clear that it can no longer fund the \$200 million annual cost of administrative and operations (delivery costs) reimbursements. These funds are an integral part of the agreement between private insurers and the Agriculture Department that allows affordable crop insurance to be offered to the nation's farmers.

S. 1150 offsets about half the crop insurance costs. For the remainder, the conferees found reforms and spending cuts within the crop insurance program itself. These cuts—such as reducing the level of reimbursement provided for companies' administrative costs—set the stage for further reform and improvement of the crop insurance system. Total savings from the crop insurance program: budget authority (BA) \$530 million; outlays \$490 million. Total offset savings from outside crop insurance: BA \$485 million; outlays \$519 million.

RURAL DEVELOPMENT

The conference report provides \$100 million in new funding for the Fund for Rural America. The new funding would be added to the \$200 million currently available in FY 1999 and FY 2000. The total amount will be averaged over the five-year period to provide \$60 million each year for the fund to be operated under the existing rules.

FOOD STAMPS

The conference report includes about \$619 million over five years (plus an additional \$199 million in internal reforms in the food stamp program, as proposed by the Administration) to restore food stamp benefits to about 250,000 legal immigrants who otherwise would be ineligible. Generally, the categories of immigrants covered by S. 1150 correspond to those who last year regained access to Supplemental Security Income (SSI) under separate legislation. Opponents of the food-stamp provision contend Congress should not change a decision it made in the 1996 welfare law to deny food stamps to more than 900,000 legal immigrants.

The conference report increases the eligibility time-period for refugees and asylees from five years to seven years. Elderly, legal non-citizens will be eligible for food stamp benefits as long as they were 65 years old and living in the United States as of August 22, 1996, as will legal non-citizen children who are under 18 years of age and were living in the U.S. as of August 22, 1996. Disabled, legal non-citizens will be eligible as long as they were living in the U.S. as of August 22, 1996, including those becoming disabled after August 22, 1996.

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